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FIDELITY Q4 2018 RETIREMENT ANALYSIS: MARKET SHAKE-UP IMPACTS ACCOUNT BALANCES, BUT INVESTORS "STAYED THE COURSE" DESPITE VOLATILITY

BOSTON, Jan. 31, 2019 -- Fidelity Investments®, a broadly diversified financial services company with more than $6.7 trillion in client assets, today released its quarterly analysis of retirement savings trends, including account balances, contributions and savings behavior, across more than 30 million retirement accounts. While market volatility in the fourth quarter had a negative impact on account balances, the majority of investors continued to stay focused on long-term retirement savings goals and maintained a consistent approach to saving and asset allocation.

"For many retirement savers, the recent market volatility is the most significant they have seen in several years – and for some of our younger investors, 2018 was the first time in their careers they have experienced a significant down market," said Kevin Barry, president of workplace investing at Fidelity Investments. "Market corrections like we experienced in Q4 can make investors anxious – however, the good news is that we didn't see that type of behavior amongst our 30 million retirement savers. Similar to 2008, they stayed the course by maintaining their asset allocation and continuing to add to their accounts, a good discipline that can be beneficial when markets rebound, as we've seen in the early part of this year."

Highlights from this quarter's analysis include:

- **Average 401(k), 403(b) and IRA account balances were down from record highs in Q3 2018.** The average 401(k) balance dropped to $95,600, a 10 percent drop from the record high balance of $106,500 in Q3 2018. The year-over-year average balance is down just over 8 percent from $104,300 in Q4 2017. The average IRA balance decreased to $98,400, about an 11 percent drop from last quarter and roughly 7.5 percent drop from $106,300 one year ago. The average tax exempt/403(b) account balance dropped to $78,700, a 10 percent drop from the Q3 and down 7.5 percent from Q4 2017.

Average Retirement Account Balances

	Q4 2018	Q3 2018	Q4 2017	Q4 2008
401(k)[1]	$95,600	$106,500	$104,300	$49,000
IRA[2]	$98,400	$111,000	$106,300	$52,000
Tax Exempt/ 403(b)[3]	$78,700	$87,500	$85,100	$37,600

- **Investors continued to contribute to their retirement savings accounts.** More than 98 percent of 401(k) savers continued to regularly contribute to their 401(k) in 2018. For just the fourth quarter, the percentage increased to more than 99 percent, which is the highest quarterly percentage since Q1 2011. In terms of actual dollars contributed to retirement accounts, the average 401(k) contribution in 2018 was $6,850, which ties a record high, and the average total IRA contribution in 2018 was $4,200, a 10 percent increase over the average total contribution for 2017.

- **Despite market swings, investors did not make significant changes to their 401(k) investments.** Only 5.6 percent of 401(k) investors made a change to their asset allocation in Q4, including investors who have their savings in a target date fund or managed account. Of those investors who made a change to their 401(k) asset allocation, over two-thirds (67.4 percent) only made one change last quarter. And as of Q4, more than half (50.6 percent) of 401(k) savers are 100% invested in a target date fund.

- **Fewer workers tapping their savings as 401(k) loan level dropped to 10-year low.** The percentage of workers with an outstanding loan from their 401(k) dropped to 20.3 percent, the lowest level since Q2 2009. In addition, the percentage of workers initiating a new 401(k) loan dropped to 9.4 percent in 2018, the lowest 12-month percentage since Q2 2009.

- **The number of 401(k) and IRA millionaires declined.** The number of people with $1 million or more in their 401(k) dropped to 133,800 at the end of Q4, while the number of IRA millionaires decreased to 138,800.

For more information on Fidelity's Q4 analysis, please click here to access Fidelity's "Building Futures" overview, which provides additional details and insight on retirement trends and data.

About Fidelity Investments
Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of $6.7 trillion, including managed assets of $2.4 trillion as of December 31, 2018, we focus on meeting the unique needs of a diverse set of customers: helping more than 28 million people invest their own life savings, 23,000 businesses manage employee benefit programs, as well as providing more than 13,000 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit https://www.fidelity.com/about.

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Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

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[1] Analysis based on 22,600 corporate defined contribution plans and 16.2 million participants as of December 31, 2018. These figures include the advisor-sold market, but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.
[2] Fidelity IRA analysis based on 9.2 million Personal Investing IRA accounts, as of December 31, 2018 and include Traditional IRAs, Roth IRAs, and Rollover IRAs only. It excludes inherited IRAs and small business IRAs, as well as the advisor-sold market.
[3] Analysis based on 10,600 defined contribution plans, including 403(b), 401(a), 401(k) and 457(b) qualified plans, and 5.9 million participant accounts, for 4.4 million unique individuals, in the tax-exempt market, as of December 31, 2018.